

**MINUTES OF MEETING OF
THE JOINT MEETING OF THE POLICY AND RISK COMMITTEES OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

A joint meeting of the Policy and the Risk Committees (the "Committees") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 15, 2008**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Policy Committee Chair, Colleen McHugh, and the Risk Committee Chair, Charles Tate, with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was electronically recorded. Participating in the meeting were the following members of the Committees:

Colleen McHugh, Chair, Policy Committee
Charles Tate, Chair, Risk Committee
J. Phil Ferguson
Paul Foster
Ardon E. Moore
Erle Nye

thus constituting a majority and quorum of the Committees. Risk Committee Member Clint Carlson joined later in the meeting as noted in the minutes. Also attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; Gary Hill, Manager - Investment Reporting for the Corporation; Debbie Childers, Manager Portfolio Accounting and Operations for the Corporation; Melynda Shepherd, Manager - Finance and Administration for the Corporation; Kate Wagner, Associate - Portfolio Risk Management for the Corporation; Dr. Keith Brown of the McCombs School of Business at UT Austin; Philip Aldridge, Charlie Chaffin, Jim Phillips and William Huang of UT System Administration. Policy Committee Chair McHugh and Risk Committee Chair Tate called the meeting to order at 1:48 p.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Review and Discussion of Proposed Amendments to Investment Policies

Mr. Zimmerman explained that Staff was recommending for approval by the Policy and Risk Committees proposed amendments to the investment policies. These amendments will need further approval by the Board of Directors and the UT System Board of Regents. Mr. Zimmerman presented a summary of the Investment Strategy Review 2008. He reported that the objective of this year's investment strategy review was to assess the portfolio's current position in relation to the initial multi-year plan and recent/expected market conditions and recommend "mid-course corrections" to the originally proposed multi-year implementation plan as well as to recommend targets and ranges for FY 2011.

Mr. Carlson joined the meeting at this time. Mr. Zimmerman discussed the Asset Class and Investment Type performance of the Permanent University Fund ("PUF") as of May 31, 2008, compared to the targets,

ranges and performance objectives. He also discussed the variables in the private markets investments in relation to the endowments.

Mr. Zimmerman explained that the Committees were being requested to approve changes to Exhibits A to the Investment Policy Statements for the PUF and General Endowment Fund ("GEF") and Exhibits B to the Permanent Health Fund ("PHF") and Long Term Fund ("LTF") Investment Policy Statements, for the fiscal year ending August 31, 2008, effective July 24, 2008. This change related to increasing the Private Investments maximum range to 20% (up from 16.8%). The Committees were also being requested to approve amendments to the Exhibits to the Investment Policy Statements for the PUF, GEF, PHF, LTF, and Intermediate Term Fund, to reflect changes to the implementation plan proposed for FY 09 and FY 10 as well as to recommend targets and ranges through FY 2011. In addition, the Exhibits reflect the staff's recommendations related to revisions to the benchmarks, effective September 1, 2008. Mr. Zimmerman also presented recommended amendments to the Liquidity Policy, which included new liquidity limits and trigger zones for the fiscal years ending 2009 and 2010 for the Endowment Funds and adding fiscal year ending 2011 liquidity limits and trigger zones for both the Endowment Funds and the Intermediate Term Fund. In addition, the unfunded commitments maximums in the Liquidity Policy were changed for the fiscal years ending 2008, 2009, and 2010 and the maximum permitted amount for fiscal year 2011 was added. Mr. Zimmerman answered the Committee members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendments to the Exhibits of the Investment Policy Statements of the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and Intermediate Term Fund, and the Liquidity Policy, as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

There being no further business to come before the Policy or the Risk Committees, the joint meeting was adjourned at approximately 2:45 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Colleen McHugh Date: 5.14.2009
Colleen McHugh, Chair
Policy Committee of
The University of Texas Investment Management Company

Approved: Charles W. Tate Date: 5/14/09
Charles Tate, Chair
Risk Committee of
The University of Texas Investment Management Company

**MINUTES OF
MEETING OF THE RISK COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

The Risk Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **July 15, 2008**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, Charles Tate, with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was electronically recorded. Participating in the meeting were the following members of the Committee:

Charles W. Tate, Chair
Clint D. Carlson
J. Philip Ferguson
Erle Nye

thus constituting a majority and quorum of the Committee. Also attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; various staff members of the Corporation; Keith Brown of the McCombs School of Business at UT Austin; and Philip Aldridge, Charlie Chaffin, William Huang, and Jim Phillips representing The University of Texas System (the "UT System"). Chairman Tate called the meeting to order at 2:42 p.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Minutes

The first matter to come before the Committee was approval of the minutes of the meeting of the Risk Committee held on April 15, 2008, and the amended minutes of the meeting of the Risk Committee held on January 23, 2008. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the meeting of the Risk Committee held on **April 15, 2008**, be, and are hereby, approved; and

FURTHER RESOLVED, that the minutes of the meeting of the Risk Committee held on **January 23, 2008**, as amended, be, and are hereby, approved.

Funds Update

Mr. Tate proceeded by asking Mr. Zimmerman to give an update on the Funds. Mr. Zimmerman began with the performance summary as of May 31, 2008. Other charts presented included comparison against the Cambridge Billion Dollar Funds Universe, risk/return analysis, asset allocation over time for the General Endowment Fund (GEF), deviations from policy targets for the Permanent University Fund (PUF), the GEF and the Intermediate Term Fund (ITF) (collectively, the Funds). Mr. Zimmerman then reviewed the Funds

with the categorization grids, comparing asset class and investment type targets, ranges and performance objectives. He discussed several charts explaining the current risk environment of the Funds and their respective liquidity profiles and a chart which illustrated four-way risk decomposition as of May 31, 2008, for the GEF using the new investment strategy.

Also presented were a comprehensive derivative report as of May 31, 2008, and a report on investment transactions made under the Delegation of Authority for the Fiscal Quarter ended May 31, 2008. Mr. Zimmerman answered the Committee Members' questions.

Compliance Summary Program

Mr. Tate asked Ms. Gonzalez to give a report on the Compliance Summary Program. Ms. Gonzalez presented the Investment Policies Compliance Report for the Quarter Ended May 31, 2008, noting that there were no exceptions to policy during the quarter. Additionally, Ms. Gonzalez presented the Institutional Compliance Program Report for the Quarter Ended May 31, 2008, which is submitted to UT System. There were no significant findings. Mr. Zimmerman and Ms. Gonzalez answered the Committee Members' questions.

Categorization of New Investment Mandates

Mr. Tate asked Mr. Zimmerman to report on the Categorization of New Investment Mandates and Re-categorization of Investment Mandate as per the Mandate Categorization Procedure, effective March 1, 2008. Mr. Zimmerman reported that there was a summary page provided with all new mandates and one re-categorization request for Satellite Fund V, LLC. He reported that the Chief Compliance Officer concurred in the categorizations prepared by the Managing Directors, as did he. The materials provided to the Committee for their approval or re-categorization represented the mandate categorizations prepared by staff through June 30, 2008, that had not previously been presented to the Committee for review and approval or re-categorization. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Board adopted a Mandate Categorization Procedure on January 30, 2008, with an effective date of March 1, 2008, to provide greater transparency into the process of classifying an investment mandate within the approved Asset Classes and Investment Types as defined in the Investment Policy Statements for the Permanent University Fund, the General Endowment Fund, and the Intermediate Term Fund; and

WHEREAS, the Procedure requires the Managing Directors, the Chief Compliance Officer, and the Chief Investment Officer to review and categorize each new mandate; and

WHEREAS, a Managing Director, the Chief Compliance Officer, and Chief Investment Officer have reviewed all new mandates prepared through June 30, 2008, and categorized each as required by the Procedure; and

WHEREAS, a Managing Director, Chief Compliance Officer, and Chief Investment Officer have recommended a re-categorization of a mandate that was approved by the Committee on January 23, 2008; and


WHEREAS, the Risk Committee has reviewed the new Mandate Categorizations and the re-categorization of the Mandate Categorization that was approved by the Committee on January 23, 2008, and concurs in the classifications as proposed by the Corporation's staff.

NOW, THEREFORE, BE IT

RESOLVED, that the Categorizations of the Asset Class and Investment Type for each Investment Mandate submitted to the Committee are hereby approved.

With there being no further business to come before the Risk Committee, the meeting was adjourned at approximately 3:05 p.m.

Secretary: 
Joah Moeller

Approved:  Date: 11/2/08
Charles W. Tate, Chair
Risk Committee
of the Board of Directors of
The University of Texas Investment
Management Company